

SMALL BUSINESS LOAN FUND CORPORATION
MINUTES OF THE BOARD OF DIRECTORS

February 4, 2016

PUBLIC SESSION

A monthly meeting of the Board of Directors (the “Board”) of the Small Business Loan Fund Corporation (the “Corporation”) was held in public session at the offices of the Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, February 4, 2016, scheduled for 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. Lee Mercer, Mr. Richard DeMerchant, and Ms. Antonieta Falconi.

The following Directors were absent: Mr. John Pagliarini

Also present were: Mr. William Ash, Corporation Administrator, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Administrator, and Ms. Ellen Corneau, Esq., Moses Afonso Ryan Ltd.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 9:33 a.m.

2. Approval of the Minutes of the Meeting held on December 17, 2015

The first item to come before the Board was the approval of the Minutes of the Board meeting held on December 17, 2015. A motion was duly made by Mr. Mercer and seconded by Mr. DeMerchant, to approve the Public and Executive Session Minutes of the meeting noted above as presented.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. John Pagliarini

3. Maintain the Executive Minutes of the December 17, 2015 meeting as Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on December 17, 2015. Upon motion duly made by Mr. Mercer and seconded by Mr. DeMerchant, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. John Pagliarini

4. Approval of the Minutes of the Meeting held on December 22, 2015

The next item to come before the Board was the approval of the Minutes of the Board meeting held on December 22, 2015. A motion was duly made by Mr. DeMerchant and seconded by Mr. Mercer, to approve the Public and Executive Session Minutes of the meeting noted above as presented.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. John Pagliarini

5. Maintain the Executive Minutes of the December 22, 2015 meeting as Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on December 22, 2015. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Mercer, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. John Pagliarini

6. Executive Session

Mr. Fogarty suggested that the Board move into Executive Session to discuss the loan requests. Upon motion duly made by Ms. Falconi and seconded by Mr. DeMerchant,

the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(1), 42-46-5(a)(2), 42-46-5(a)(5), 42-46-5(a)(6) and 42-46-5(a)(7) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. John Pagliarini

Public Session concluded and Executive Session began at 10:07 a.m.

7. Executive Session Vote Ratification

Mr. Fogarty called for a ratification of the votes adopted during Executive Session. Upon motion duly made by Mr. Pagliarini and seconded by Ms. Falconi, the following votes were ratified:

- (a) To approve the request from High Purity New England, Inc. for a loan in the amount of \$250,000, subject to the conditions as outlined in Executive Session.

The following Directors voted in favor of the foregoing: Mr. Raymond Fogarty, Mr. Lee Mercer and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: Mr. Richard DeMerchant

The following Directors were absent for voting: Mr. John Pagliarini

- (b) To seal the Executive Session Minutes.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. Raymond Fogarty, and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. John Pagliarini

8. Report of Cash Position as of December 31, 2015

Staff asked if there were any questions or comments regarding the Cash Report for the period ended December 30, 2015 (Exhibit A). There was no discussion regarding the report.

9. Delinquency Loan Report as of December 14, 2015

Staff asked if there were any questions regarding the Loan Delinquency report dated February 1, 2016 (Exhibit B). There was no discussion regarding the report.

10. Recommended Charge-Offs

Mr. Ash noted that the charge off Memo before the Board (Exhibit C) had an additional substantiation Memo which was addressed in Executive Session. He asked that the Board approve the charge offs as recommended. Upon motion duly made by Mr. Mercer and seconded by Ms. Falconi, the motion to approve the recommended charge offs as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. Raymond Fogarty, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. John Pagliarini

Adjournment

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Ms. Falconi and seconded by Mr. Mercer, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. Raymond Fogarty, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. John Pagliarini

The meeting was adjourned at 10:12 a.m.

Respectfully submitted,

/s/ Stacy Farrell

Stacy Farrell, Secretary